

# **EXHIBIT 23**



# **2006 VOLUNTARY FA CAPITAL ACCUMULATION PROGRAM**

For Smith Barney Financial Advisors  
and certain other employees in the United States

## **PROSPECTUS**

**The date of this prospectus is December 30, 2005.**

### **Important information about the contents of this document**

The information contained in this document constitutes a prospectus covering securities that have been registered under the Securities Act of 1933 in connection with the Citigroup 1999 Stock Incentive Plan as amended and restated effective April 19, 2005 (the "Plan").

This prospectus describes awards of restricted stock and stock options (together "equity incentive awards" and each an "equity incentive award") to be made under the Plan in or after July 2006 in connection with the 2006 Voluntary FA Capital Accumulation Program ("FA CAP"). This prospectus amends and restates the FA CAP prospectus dated October 1, 2005. This prospectus does not relate to equity incentive awards granted under any other Citigroup program at any other time.

As used in this prospectus, "Citigroup" means Citigroup Inc., a Delaware corporation. "Company" means Citigroup and its consolidated subsidiaries. The "Committee" means the Personnel and Compensation Committee of the Board of Directors of Citigroup or any other person or committee having delegated authority over the administration of the Plan. The Committee determines the terms and conditions of equity awards granted under FA CAP (the "program guidelines") and, in its discretion, may amend the program guidelines from time to time.

The Committee may establish different program guidelines for different groups of participants. Program guidelines for participants working outside the United States may be adjusted as necessary to conform to local tax, accounting, legal, and regulatory requirements. If there is a conflict between the Plan and this prospectus, the Plan will control. The Company is free to change its practices and policies regarding equity awards at any time in its sole discretion. *FA CAP is a voluntary program.* Consult your financial planner and tax adviser and consider your personal and financial situation carefully before deciding whether to enroll.

Neither this prospectus nor any other program communication constitutes legal or tax advice and should not be considered a recommendation to participate in FA CAP.

The value that may be realized from an equity incentive award, if any, is contingent and depends on the future market price of Citigroup common stock, among other factors. Any monetary value assigned to an equity incentive award in any communication about the award is contingent, hypothetical, or for illustrative purposes only and does not express or imply any promise or intent by the Company to deliver — directly or indirectly — any certain or determinable cash value to a participant.

For all purposes under this program, a participant's employment shall be deemed terminated as of the last day of participant's active service to the Company, regardless of any entitlement to notice, payment in lieu of notice, severance pay, termination pay, pension payment, or the equivalent that may be provided by any other plan, contract, or law.

Any actual, anticipated, or estimated financial benefit to a participant from an award shall not be deemed to be an integral part of the participant's compensation from employment, and any actual, anticipated, or estimated value of an award (and/or the cancellation of such award) will not be used in any measure or calculation of any statutory, common law, or other termination or severance payment to the participant.

This document does not constitute either a contract of employment or a guarantee of continued employment for any definite period of time. Unless otherwise provided by law or a written agreement between a participant the Company, employment is always on an at-will basis.

**IMPORTANT NOTE ABOUT THE AMERICAN JOBS CREATION ACT OF 2004**

As part of the American Jobs Creation Act of 2004, which was signed into law October 22, 2004, Section 409A was added to the Internal Revenue Code (the "Code"). Section 409A provides, among other things, for an additional 20% tax on "deferred compensation" that is not paid in accordance with Section 409A, as determined by final regulations to be issued by the Internal Revenue Service (IRS). The awards described here may be considered "deferred compensation" within the meaning of Section 409A. The IRS has issued proposed regulations under Section 409A, but the rules are not final.

To the extent possible, Citigroup intends to modify the program guidelines and the Plan, if necessary, to conform to the requirements of Section 409A and the final regulations as they apply to participants who are U.S. taxpayers. Accordingly, the program guidelines and the Plan may be modified, and agreements for awards that are considered to be "deferred compensation" under Section 409A may be modified, at Citigroup's discretion.

However, there is no guarantee that any award will *not* be subject to additional tax under Section 409A. Participants will receive a prospectus supplement describing any changes after the date of this prospectus as a result of Section 409A or the final regulations.

To the extent permitted by Section 409A, Citigroup will use a 20% threshold to define "service recipient stock" pursuant to Section 409A(d)(6). Accordingly, if permitted by the Plan and Section 409A, awards under FA CAP may be made to employees of an entity in which Citigroup has a direct or indirect ownership interest of at least 20%.

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## Overview

FA CAP is a voluntary program designed to provide eligible employees the opportunity to have a percentage of their annual compensation paid in the form of awards of restricted common stock of Citigroup ("CAP Shares").

FA CAP awards are made twice each year. The number of shares in a CAP award is calculated using a 25% discount from the average of the closing prices of Citigroup common stock on the last trading day of each of the six months prior to the award date.

The vesting period for CAP Shares is two years from the award date. CAP Shares do not vest until the restrictions have lapsed at the end of the vesting period and the shares are delivered to you, provided you have remained continuously employed by the Company or have met all vesting conditions.

Prior to each award date you will have an opportunity to make an election (a "stock option election"), under which you can receive a stock option (a "CAP Option") in place of 25%, 50%, 75%, or 100% of your CAP Share award. If you make the stock option election you will receive four option shares for each share by which you elected to reduce your CAP Share award. Options issued in connection with the stock option election are called CAP Options.

CAP Options will have a grant price equal to closing price of Citigroup common stock on the New York Stock Exchange on the trading day immediately preceding the grant date. CAP Options vest over a four-year period at the rate of one-quarter per year and have a six-year term. With certain exceptions, the shares received upon the exercise of a CAP Option, including exercises that occur after a termination of employment, may not be sold for two years (the "two-year sale restriction").

The restrictions on FA CAP awards are designed to provide an incentive for you to remain with the Company. Generally, FA CAP Shares will not vest (i.e., the awards will be canceled) if your employment terminates before the end of the vesting period. CAP Options generally will be canceled on your termination date. You should consider these provisions carefully before you decide to enroll in FA CAP. See "When you leave the Company and other changes in employment status" beginning on page 20.

Generally, taxes on CAP Shares are deferred until the end of the vesting period. Taxes are payable on a stock option grant when the option is exercised. See "U.S. taxes" beginning on page 25 for details.

# The Voluntary FA Capital Accumulation Program

## Who is eligible to enroll in FA CAP?

You are eligible to enroll in FA CAP if you are:

- A Financial Advisor ("FA") employed by the Smith Barney division of Citigroup Global Markets Inc. ("Smith Barney") or an account executive employed by the Futures Division of the Citigroup Corporate and Investment Banking Group ("CIB Futures Division") and:
  1. Your "annualized qualifying compensation" as of September 30, 2005, was at least \$40,000, or
  2. You participated in 2005 FC CAP, regardless of your "annualized qualifying compensation" as of September 30, 2005.
- "Annualized qualifying compensation" is composed of current annual salary, annualized commissions, and annualized FA payments (both Recurring and Supplemental).
- An exempt employee in the Smith Barney Private Client Division who is not eligible to receive a discretionary incentive compensation (bonus) award and:
  1. Your annual compensation is at least \$40,000, or
  2. You participated in 2005 FA CAP regardless of your current annual compensation level.
- A Smith Barney producing branch manager.

**Note:** Only U.S. employees are eligible to participate in FA CAP. Individuals whose earnings are not reported on a Form W-2 Wage and Tax Statement issued by the Company are not eligible to receive awards under FA CAP. In addition, individuals who participate in FA CAP and take a hardship withdrawal from FA CAP or from a Company 401(k) plan will not be eligible to elect to participate in FA CAP until the annual enrollment period following 12 months from the date of the hardship withdrawal. Employees who, on the award date, are on an approved disability leave that has exceeded 90 days or an approved personal leave of absence that has exceeded 90 days are not eligible for an FA CAP award.

## How does FA CAP work?

As an FA CAP participant, you can make a prospective election to have a portion of your annual compensation paid in the form of an award of restricted stock, which will be made on a pretax basis twice each year. Awards under 2006 FA CAP will be dated July 1, 2006, and January 2, 2007.

You can elect to have from 5% to 25% of your annual compensation (in 5% increments) paid in the form of a CAP award. You can elect to participate for the full year beginning in January or for the first or last six months of 2006 only. If you participate for the full year, you can make different percentage elections for each of the six-month periods. You will have the opportunity to make a stock option election before each award date.

If your percentage election for a six-month period results in pretax compensation to be paid in the form of a CAP award equal to \$500 or less, you will not receive a CAP award for that period. Instead you will receive a cash payment (without interest) equal to the dollar amount of your election.

In addition, if, on the CAP award date, you are on an approved personal leave of absence that has exceeded 90 days or an approved disability leave that has exceeded 90 days, you will not receive a CAP award. Instead you will receive a cash payment (without interest) equal to the dollar amount of your election.

*FA CAP is a voluntary program and you are not required to participate. However, once you have made the decision to participate for a given calendar year, percentage elections are irrevocable and may not be changed or discontinued, except as described above. You may discontinue participation or modify your percentage elections only during the annual enrollment period for the following calendar year. Consider the provisions of the program carefully before you decide to enroll.*

**To participate, you must make an election during each enrollment period. Elections will not be carried forward from year to year.**

### **How is the number of shares in a CAP Share award determined?**

The number of shares in your CAP Share award is calculated by using a 25% discount from the market price of Citigroup common stock. For FA CAP, the market price of Citigroup common stock is the average of the closing prices of the stock on the New York Stock Exchange on the last trading day of each of the six months prior to the award date.

Thus, the number of shares in your award is obtained by dividing the value of the award by 75% of the market price of one share of Citigroup common stock on the award date.

A CAP Share award is composed of "basic shares" and "premium shares."

- The basic shares are the number of shares awarded by using the market price without the benefit of the 25% discount.
- The premium shares are the additional number of shares awarded by applying the 25% discount.

#### **Example**

Assumptions:

- You have elected to participate at the 20% level.
- If you had not elected to participate, you would have had cash compensation of \$100,000 for the six-month period.
- The average month-end stock price of Citigroup common stock over the prior six months was \$45.

- I. Determine the portion of your pretax compensation to be paid in the form of a CAP Share award:

$$20\% \times \$100,000 = \$20,000$$



2. Determine the discounted stock price:

$$\$45 \times 75\% = \$33.75$$

3. Calculate the number of shares in your CAP Share award.

$$\$20,000 \div \$33.75 = 592.59$$

Fractional shares will be rounded to the nearest second decimal place using a natural round.

The number of basic shares (the number of shares in your award calculated using a non-discounted market value) is:

$$\$20,000 \div \$45 = 444.44$$

The number of premium shares (the additional shares you are awarded as a result of the application of the 25% discount) is:

$$592.59 - 444.44 = 148.15$$

In this example, for the six-month period you would receive \$80,000 (less payroll taxes and other standard deductions) in cash compensation (\$100,000 less the \$20,000) plus an award of 592.59 CAP Shares. The market value of these shares (if unrestricted) would be \$26,666.64 ( $592.59 \times \$45 = 26,666.55$ ).

### **How does the stock option election work?**

FA CAP participants will have the opportunity to elect, before the award date, the form of the award they will receive. This process is called the stock option election.

By making a stock option election, you choose to receive 25%, 50%, 75%, or 100% of your FA CAP award in the form of a stock option.

If you make the stock option election, you will receive a non-qualified CAP Option to purchase four times the number of shares by which you elected to reduce your CAP Share award.

If you do not make the stock option election, your FA CAP award will be in the form of CAP Shares.

You will be asked to make the stock option election approximately three months before each CAP award is made.

*Once made, your stock option election is irrevocable.*

The ratios used for the 2006 FA CAP stock option election are based on Citigroup's current stock option valuation. See "CAP Options" on page 14 for a description of the features of stock options granted under FA CAP.

## What should I consider when deciding whether to make a stock option election?

Deciding to make a stock option election is a personal financial decision that should be based on your personal circumstances, your investment goals, and your estimate of how Citigroup common stock will perform in the future. You should carefully review the features of stock options and restricted stock awards as described in this prospectus and consider the following:

- Number of shares in the award: If you make the stock option election, you will be able to benefit in any appreciation in the price of Citigroup common stock on a greater number of shares than if you had not made the election.
- Market risk: Assuming you remain continuously employed throughout the vesting period and meet all other vesting requirements, you will receive Citigroup common stock following the vesting of your restricted stock award(s), regardless of the market price of Citigroup common stock on the vesting date. On the other hand, the market price of Citigroup common stock must be higher than the grant price of a stock option for the option to have any value. In addition, a market risk is associated with the two-year sale restriction. See "Sale restriction" below.
- Dividends: You will receive dividends or dividend equivalents on your restricted stock award(s) throughout the vesting period. No dividends or dividend equivalents are payable on stock options.
- Vesting periods and option term: The vesting period for CAP Shares is two years. CAP Options vest 25% per year over four years; unless canceled sooner options expire after six years.
- Sale restriction: Shares acquired upon exercise of a stock option are subject to a two-year sale restriction during which time you may not sell or otherwise transfer the shares. *With certain exceptions, the two-year sale restriction remains in place even if your employment with Citigroup is terminated.* During the two-year sale restriction, the market price of Citigroup common stock may decline and you will bear the market risk during that time. Citigroup common stock distributed to you following the vesting of your restricted stock award(s) is not subject to a sale restriction and may be sold immediately, subject to any applicable personal trading policy restrictions.
- Termination of employment: In certain circumstances, the treatment of options is different from the treatment of restricted stock upon termination of employment. See "When you leave the Company and other changes in employment status" beginning on page 20 for more information.
- Irrevocable election: Once you make a stock option election, it is irrevocable.

**When does the vesting period begin, and how long is it?**

The vesting period for CAP Shares begins on the award date and runs for two years.

**What happens if I leave the Company after electing to participate in FA CAP but before the date of a CAP Award?**

If your employment is terminated for any reason after you have elected to participate in FA CAP but before the award date for any six-month period, your election to participate will be canceled and you will receive a payment equal to the additional amount of cash compensation that would have been paid to you had you not elected to participate in FA CAP for that particular six-month period.

**Can I continue to participate in FA CAP if I transfer to another subsidiary or business unit or if my employment category changes to one that is not eligible for FA CAP?**

Generally, FA CAP awards granted prior to the time of transfer will continue to vest as scheduled if you transfer to a subsidiary that is a member of the "controlled group" of Citigroup (as defined by regulations under the Code), or if you transfer to a subsidiary that is not a member of the controlled group of Citigroup but is consolidated with Citigroup for financial reporting purposes.

If you transfer to a subsidiary that is not a member of the "controlled group" of Citigroup and is not consolidated with Citigroup for financial reporting purposes, your shares and options will be treated, generally, as if your employment had been terminated involuntarily other than for gross misconduct. See page 22.

For an award that has not been granted at the time of transfer:

- If the subsidiary or business unit with which you are subsequently employed participates in FA CAP, you may be able to continue to participate, although the program guidelines may be different. However, if, as of your date of transfer, the value allocated to the next upcoming FA CAP award is less than \$500, your election to participate will be canceled and you will receive a cash payment of the allocated value in lieu of continued participation.
- If the subsidiary or business unit with which you are subsequently employed does not participate in FA CAP, your election to participate will be canceled and you will receive a cash payment equal to the value allocated to the next upcoming FA CAP award for that particular period.

# CAP Shares

CAP Shares are awarded in the form of restricted stock.

## **What is restricted stock?**

Restricted stock is issued and outstanding Citigroup common stock that remains subject to a restriction on sale or transfer for a specified period of time, called the vesting period, during which it is subject to cancellation if vesting conditions are not satisfied. During the vesting period you will not have ordinary voting rights. However, you can indicate to the plan administrator your voting preferences on matters submitted to a vote of shareholders, and it is the plan administrator's intention to vote all shares underlying restricted stock awards in proportion to the voting instructions received from participants. When your award has vested and shares of Citigroup common stock are distributed to you free of restriction, you will have the same voting rights as other Citigroup shareholders.

If you made a Section 83(b) election on a restricted stock award, you will receive regular dividends through the Citigroup transfer agent. These dividends will be treated as dividend income. See "U.S. taxes-restricted stock" on page 25.

However, if you do not make a Section 83(b) election on a restricted stock award, you will receive dividend equivalents paid through your payroll on or about the time that Citigroup distributes ordinary dividends to its shareholders. Dividend equivalents will be treated as ordinary compensation income. When your award has vested and shares of Citigroup common stock are distributed to you, you will have the same dividend rights as other Citigroup shareholders.

Restricted stock may not be sold, transferred (to a trust account, pursuant to a divorce decree, or otherwise), or assigned as collateral. See "When you leave the Company and other changes in employment status" beginning on page 20 for a description of how a termination of employment or a break in your employment affects awards of CAP Shares.

For U.S. financial accounting and reporting purposes, shares of restricted stock are considered outstanding during the vesting period.

## **When does the vesting period begin, and how long is it?**

The vesting period for CAP Shares begins on the award date and runs for two years

## **What happens if there is a stock split during the vesting period?**

Stock splits, conversions, and other transactions, events, or adjustments that affect the number of shares of Citigroup common stock outstanding may result in an adjustment to the number of shares subject to your award.

For example, if you received an award of 100 shares and Citigroup subsequently announces a 3-for-2 stock split, the number of shares in your award would be adjusted from 100 to 150 on the effective date of the stock split.

In the case of other transactions or events, the Committee, in its discretion, may make other equitable adjustments to your award.

Before 3:2 stock split	After 3:2 stock split
100 shares at \$45 = \$4,500	150 shares at \$30 = \$4,500

### **When will and how will I receive my shares?**

Provided you remain continuously employed throughout the vesting period and/or otherwise meet all vesting requirements, you will receive your CAP Shares (less any shares withheld to pay applicable taxes), free of all restrictions, as soon as practical after the end of the vesting period. You must provide certain information to the Company prior to the vesting date to receive your shares.

Your vested shares (less any shares withheld to pay applicable taxes) will be, at your election:

- Deposited into your Smith Barney (SB) or Citicorp Investment Services (CIS) brokerage account or
- Registered in book-entry form under the Direct Registration System (DRS), in which event you will receive an account statement from Citigroup's transfer agent. You can transfer the DRS book-entry position electronically to your bank or broker or request to have a certificate mailed to you.

To open an SB or CIS account, see "How can I open a brokerage account?" on page 18.

Vesting is always subject to confirmation and final determination by the Committee that conditions to vesting have been satisfied. Until vesting, an award of restricted stock carries no shareholder rights, except as described in this prospectus.

### **Under what conditions would I *not* receive my shares?**

CAP Shares are not earned until the shares have vested and have been distributed to you. Your shares will be canceled before the end of any vesting period if you voluntarily leave the Company or are terminated for gross misconduct. In other circumstances, you may receive all or some of your shares. See "When you leave the Company and other changes in employment status" beginning on page 20 for a description of how a termination of employment or a break in your employment affects your award.

In addition, the Company may retain for itself funds or securities otherwise payable to a participant under its equity programs to offset any amounts paid by the Company to a third party pursuant to any award, judgment, or settlement of a complaint, arbitration, or lawsuit of which you were the subject; to satisfy any obligation or debt that you owe the Company; or in the event an award is canceled according to the program guidelines.

### **How will my shares be taxed?**

Generally, income taxes on your CAP Shares are deferred until the end of the vesting period. See "U.S. taxes" beginning on page 25.

### **Are there any restrictions on when I can sell my CAP Shares after they have vested?**

Generally, there are no restrictions on the sale of CAP Shares after vesting. However, the Company has a Personal Trading Policy that covers employee trading in Citigroup securities. All employees who have access to material, non-public information about Citigroup may not buy or sell Citigroup securities while they are in possession of this material information. This policy is intended to help you avoid insider trading liability or the appearance of impropriety.

Certain employees whose jobs are such that they know about Citigroup's quarterly earnings prior to the release of earnings to the public may not engage in transactions in Citigroup securities during quarterly blackout periods and always must obtain approval before making trades in Citigroup stock. In addition, certain business units may have more restrictive policies.

Consult your compliance officer or the general counsel for your business unit if you have any questions about the Personal Trading Policy and/or the applicability of these restrictions to your particular situation.

# CAP Options

## **What is a stock option, and why is it valuable?**

A stock option gives you the right to purchase a specified number of shares of Citigroup common stock at a fixed price called the grant price. Once the option has vested, you can purchase some or all of the shares in your option by exercising the option. Your option will remain in effect for a fixed period of time called the option term.

CAP Options are non-qualified for U.S. tax purposes. If you are granted a CAP Option, you will receive an agreement that sets out the terms and conditions of your grant. Unless and until you acquire shares by exercising an option, an option confers no shareholder rights.

A stock option is valuable if the market price of Citigroup common stock increases above the grant price. The potential value of your option will equal the difference between the grant price of the option and the current market price of the stock multiplied by the number of shares in your option. This difference is often referred to as the "spread" or "gain."

For example, if you were granted an option to purchase 500 shares at a grant price of \$45 per share and, over time, the market price of Citigroup common stock increases by \$20, to \$65 per share, your option would have a potential value of \$10,000 ( $\$20 \times 500 \text{ shares} = \$10,000$ ).

## **How is the grant price of my CAP Option determined?**

The grant price is the closing price of Citigroup common stock on the NYSE on the trading day immediately preceding the grant date.

## **How long does my CAP Option remain in effect?**

Your CAP Option will remain in effect for six years from the grant date, provided you remain continuously employed by the Company through that time. At the end of the six-year term, the option expires.

Except under certain circumstances, the right to exercise your CAP Option will terminate earlier if your employment is terminated. See "When you leave the Company and other changes in employment status" beginning on page 20, for the rules governing how a termination of employment or a break in your employment affects your grant.

If the expiration date of an option falls on any day that is not a trading day on the NYSE, the last day to exercise that option will be the trading day immediately preceding the expiration date.

*It is your responsibility to know the expiration date of your option, and the Company is not required to notify you when an option is about to expire.*

## **What is the vesting period for my CAP Option?**

CAP Options vest in four equal annual installments beginning on the first anniversary of the grant date.



Vesting is always subject to confirmation and final determination by the Committee that conditions to vesting have been satisfied.

### **When can I exercise my CAP Option?**

You can exercise your CAP Option in increments, on or after each vesting date, or you can wait to exercise all or a portion of the vested option shares at any time prior to the end of the option term as long as you remain continuously employed by the Company or otherwise remain eligible.

All stock option exercises will be processed according to the Citigroup Equity Compensation Department's administrative rules and deadlines

### **How can I exercise my CAP Option?**

To exercise your CAP Option, you will need to pay the option cost (which is equal to the grant price multiplied by the number of shares exercised), plus any applicable taxes, brokerage commission, and fees associated with the exercise of your option.

There are three ways to exercise CAP Options. The current program guidelines for each of these exercise methods are described below.

The shares issued to you after covering the option cost, applicable taxes, brokerage commission, and fees are called "incremental shares." These incremental shares, which will be subject to a two-year sale restriction, will be delivered to your SB or CIS brokerage account.

If you do not have an SB or CIS brokerage account at the time of your exercise, Citigroup Equity Compensation reserves the right to process your exercise and deliver your shares according to the administrative procedures in effect at the time. Shares may be delivered in the form of a certificate or a Direct Registration System (DRS) statement.

If you do not have an SB or CIS brokerage account and wish to open one, see "How can I open a brokerage account?" on page 18.

To exercise your option, visit the Equity Compensation Web site (ECWeb) at <http://equitycompensation.citigroup.net>.

### **Cash purchase**

You pay cash for the option cost of the number of shares you want to buy. If tax withholding applies to your exercise gain, you can:

- Pay the taxes in cash or
- Have shares withheld from the exercise.

When all funds are received and the exercise is completed, incremental shares equal to the number of option shares exercised minus the number of shares, if any, withheld for taxes will be delivered to you, subject to the two-year sale restriction. You do not pay a brokerage commission or fee with this method of exercise.



For tax purposes, the shares acquired upon exercise will be valued at the NYSE closing price on the trading day immediately preceding the date of exercise.

### Stock swap

You use shares of Citigroup common stock that you have owned for at least six months to pay the option cost. Payment of the option cost occurs by attestation. The shares must be in your SB or CIS account at the time of exercise.

The shares you use may be from the vesting of restricted stock awards (including, without limitation, CAP Shares) that vested at least six months prior to the exercise date or any other shares of Citigroup common stock.

To determine the number of shares necessary to pay the option cost, your previously owned shares will be valued at the NYSE closing price on the trading day immediately preceding the date of exercise.

Any taxes must be paid by having shares withheld from the exercise. For tax purposes, the shares acquired upon exercise will be valued at the NYSE closing price on the trading day immediately preceding the date of exercise.

Incremental shares equal to the number of option shares exercised minus the number of previously owned shares used to cover the option cost and any shares withheld for taxes will be delivered to you, subject to the two-year sale restriction. You do not pay a brokerage commission or fee with this method of exercise.

GLAS information. The acquisition date of the shares used for a stock swap exercise must have been tracked using the Gain/Loss Analysis System (GLAS). *Shares that do not have GLAS information applied to them cannot be used in a swap exercise.* If you open an SB or CIS account and deposit Citigroup shares into the account, you must provide the acquisition date and cost basis to your broker who will record them in GLAS.

If you have an SB or CIS account that holds Citigroup shares and have not yet provided the acquisition date and cost basis to your broker, be sure to do so as soon as possible. Once the acquisition date and cost basis are recorded in GLAS, that information will be provided to Citigroup Equity Compensation so that the shares may be used in a stock swap exercise later. If shares are delivered to your SB or CIS account by Citigroup Equity Compensation, the GLAS information will be posted automatically so that you may use the shares for future exercises.

## **Sell-to-cover**

Two transactions occur under this method:

1. Shares are sold at a current market price on the day of exercise in a sufficient number to pay the option cost, withholding taxes (if any), a brokerage commission, a U.S. government fee, and a mailing fee.
2. The sale proceeds are used to purchase shares equal to the number of option shares being exercised minus the number of shares sold to fund the costs of the exercise (as described in 1 above). These incremental shares will be subject to the two-year sale restriction; any residual cash proceeds from the sale will be delivered to you.

For tax purposes, the shares acquired upon exercise will be valued at the price of shares sold to fund the option cost.

If you are using the sell-to-cover exercise method, Citigroup Equity Compensation will establish a "pass-through" account in your name at SB, and the transaction will be processed using this account. Assets cannot be held in the "pass-through" account. Incremental shares from the exercise will be delivered to you. Cash proceeds can be transferred from the pass-through account to your personal SB account or, if you do not have an SB account, a check will be mailed to you. CIS accounts cannot accept cash deposits.

**Form W-9/W-8BEN.** To exercise your option using the sell-to-cover method and to establish the "pass-through" account described above, you must send to Citigroup Equity Compensation a completed Form W-9 (Stock Plan New Account Information and Disclosure Notice) or, if you are not a U.S. taxpayer, a Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding). Citigroup Equity Compensation will forward the completed form to SB.

If you do not submit the appropriate form, the Internal Revenue Service (IRS) will require SB to deduct backup withholding tax from the gross proceeds of your transaction. In addition, if your Form W-9 or Form W-8BEN is not on file at SB, shares and/or cash proceeds from a stock option exercise will not be released to you.

For more information, including how to submit your Form W-9 or Form W-8BEN, visit ECWeb at <http://equitycompensation.citigroup.net> or through your business's intranet.

## **What should I do before I exercise my option?**

To be prepared to exercise your option, you should:

- Complete a Form W-9 or W-8BEN and send it to Citigroup Equity Compensation, which will forward it to SB. This form must be on file to exercise using the sell-to-cover method.
- Open an SB or CIS brokerage account. See instructions below.

If you have an SB or CIS brokerage account and own Citigroup common stock, be sure that the shares are being tracked using GLAS. GLAS information will be necessary to use the stock swap method of exercise.

### **How can I open a brokerage account?**

- Call the SB Employee Branch in New York City at 212-816-1880.
- Call CIS at 1-800-846-5200 (outside New York City, within the United States) or at 212-820-2380 (in New York City or from outside the United States).

If you open a joint account, your name and Social Security number must be the lead number on the account. Shares cannot be delivered to a limited-use account, living trust account, IRA, or Keogh account.

### **What is the two-year sale restriction?**

The shares you receive when you exercise your option may not be sold, transferred (to a trust account, pursuant to a divorce decree, or otherwise), or assigned as collateral for two years. Subject to the following, the two-year sale restriction remains in place even if your employment with the Company is terminated, subject to the following:

- If you die or are on an approved disability leave that has exceeded 12 months, the two-year sale restriction will be lifted on shares that were acquired prior to such event and will not apply to subsequent exercises.
- If you terminate employment after having satisfied an applicable "age and years of service" provision, the two-year sale restriction will not apply to exercises occurring after termination of employment but will remain in place for shares acquired prior to your termination of employment.

### **What are the risks associated with the two-year sale restriction?**

The market price of Citigroup common stock may decline during the two-year sale restriction period, and you will bear the market risk during that time.

### **Under what conditions would I *not* be able to exercise my option and acquire shares?**

Options will be canceled if you voluntarily leave the Company or are terminated for gross misconduct. In other circumstances, you may be permitted to exercise your option or a portion of your option for a limited time following the termination of your employment or a break in your employment. See "When you leave the Company and other changes in employment status" beginning on page 20 for a description of how a termination of employment or a break in your employment affects your award.

In addition, the Company may retain for itself funds or securities otherwise payable to you to offset any amounts paid by the Company to a third party pursuant to any award, judgment, or settlement of a complaint, arbitration, or lawsuit of which you were the subject; to satisfy any obligation or debt that you owe the Company; or in the event a grant is canceled according to the program guidelines.

### **Are there any other restrictions on when I can exercise my option or sell the shares acquired upon exercise?**

Under Citigroup's Personal Trading Policy, which is described on page 13, you may exercise a stock option at any time using the cash purchase or stock swap methods.

However, if you are subject to blackout period restrictions, during a blackout period you may not use the sell-to-cover method of exercise or sell any Citigroup shares. If you have any questions, consult your compliance officer or the general counsel for your business unit. You should carefully consider the method and timing of exercise for options that will expire during a blackout period.

### **What happens if there is a stock split during the vesting period?**

Stock splits, conversions, and other transactions, events, or adjustments that affect the number of outstanding shares of Citigroup common stock may result in a corresponding adjustment to the number of shares in your option grant and the grant price of your option.

For example, if you received an option grant of 500 shares at a grant price of \$45, and Citigroup subsequently announced a 3-for-2 stock split, the number of shares in your option grant would be adjusted from 500 to 750 on the effective date of the stock split, and the grant price would be adjusted proportionately — to \$30 — so the intrinsic value of your option would not change as a result of the stock split.

Before 3:2 stock split	After 3:2 stock split
500 shares at \$45 = \$22,500	750 shares at \$30 = \$22,500

In the case of other transactions or events, the Committee, in its discretion, may make other equitable adjustments to your option.

### **As an option holder, can I vote my shares or receive dividends?**

No. Until you exercise your option and purchase shares, you do not own Citigroup stock. You are not eligible to receive dividends on your option, and you cannot vote the shares covered by your option.

Once you exercise your option and acquire shares, you will become a shareholder. Then you will have the right to receive dividends, and you may vote your shares on issues presented at Citigroup's annual meeting and at other Citigroup shareholder meetings.

### **Can I sell my option or give it as a gift to a family member?**

No. Under current program guidelines, your option may not be sold or transferred to anyone (including pursuant to a divorce decree) unless you die. During your lifetime, only you can exercise your option. If you die, your estate may exercise your unexercised option according to the program guidelines applicable to your grant.

# When you leave the Company and other changes in employment status

If you terminate your employment with the Company or if there is a break or other change in your employment status, your awards may be canceled and their vesting and exercisability may be affected, as described below.

IF YOU:	HERE IS WHAT HAPPENS TO:
<b>Resign</b>	<p><b>Shares:</b> Vesting stops, and unvested shares are canceled on your termination date. You will not receive any cash payment.</p> <p><b>Options:</b> Vesting stops, and options are canceled on your termination date. You may exercise vested options on or before your termination date but no later than the original option expiration date.</p>
<b>Become disabled</b>	<p><b>Shares:</b> Shares continue to vest on schedule during the first 12 months of your approved disability leave. If you are still on an approved disability leave after 12 months, outstanding shares will vest immediately and the shares will be distributed to you as soon as practical.</p> <p><b>Options:</b> Options continue to vest on schedule and may be exercised during the first 12 months of your approved disability leave.</p> <p>If you are still on an approved disability leave after 12 months:</p> <ul style="list-style-type: none"> <li>• Unvested options will vest immediately; you can exercise your options for up to two years thereafter but no later than the original option expiration date, and</li> <li>• The two-year sale restriction on shares received from an option exercise will not apply.</li> </ul> <p>Generally, for this provision, your approved disability leave will begin on the first day that you are not at work for the Company as a result of the disability.</p>
<b>Take an approved personal leave of absence</b>	<p><b>Shares:</b> Shares continue to vest on schedule for the first 12 months of an approved personal leave of absence. If your leave exceeds one year, your shares will be canceled.</p> <p><b>Options:</b> Options continue to vest on schedule during the first six months of your approved personal leave of absence. You may exercise vested options during the first six months of your approved leave but no later than the original option expiration date. If your leave exceeds six months, your options will be canceled, except that if on the date that your leave of absence equals six months you have met an age</p>

	<p>and service rule applicable to your option, your option will be treated as if you had resigned after having met the age and service rule, as provided in the applicable prospectus.</p> <p>If you terminate employment for any reason during your leave the applicable termination provisions will apply.</p>
<p><b>Are on an approved family and medical leave, dependent care leave, military leave, or other statutory leave of absence</b></p>	<p><b>Shares:</b> Shares continue to vest on schedule.</p> <p><b>Options:</b> Options continue to vest on schedule. You may exercise vested options during your statutory leave but no later than the original option expiration date.</p> <p>If a statutory leave of absence is followed by a personal leave of absence and:</p> <ul style="list-style-type: none"> <li>On the date that your combined leaves equal six months you have not met an age and service rule: Vesting will stop once the combined statutory and personal leaves exceed six months. You may exercise vested options until the earlier of the date on which your combined statutory and personal leaves equal six months or the original option expiration date.</li> <li>On the date that your combined leaves equal six months you have met an age and service rule: Your option will be treated as if you had resigned after having met the age and service rule.</li> </ul> <p>If you terminate your employment for any reason during your approved statutory leave of absence: The applicable termination provisions will apply. You remain eligible for new awards under FA CAP during your leave.</p>
<p><b>Die</b></p>	<p><b>Shares:</b> Your shares vest when you die, and the shares will be distributed to your estate as soon as practical.</p> <p><b>Options:</b> Options vest when you die. Your estate may exercise your options for up to two years from the date of your death but no later than the original option expiration date. The two-year sale restriction will not apply on shares received from an option exercise.</p>
<p><b>Are terminated for gross misconduct</b></p>	<p><b>Shares:</b> Shares and options will be canceled on your termination date. You will not receive any cash payment.</p>
<p><b>Are transferred to a subsidiary of the Company that does not participate in FA CAP</b></p>	<p><b>Shares and options:</b></p> <ul style="list-style-type: none"> <li>If you transfer to a subsidiary that is a member of the "controlled group of Citigroup, or if you transfer to a subsidiary that is not a member of the "controlled group" but is consolidated with Citigroup for financial reporting purposes: Shares and options will continue to vest on schedule.</li> </ul>

	<ul style="list-style-type: none"><li>• If you transfer to a subsidiary that is not a member of the "controlled group" of Citigroup and is not consolidated with Citigroup for financial reporting purposes: Shares and options will be treated as if your employment had been terminated involuntarily other than for gross misconduct.</li></ul> <p>For this provision, "controlled group" is used as defined under IRS regulations.</p>
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<p><b>Are terminated involuntarily other than for gross misconduct including termination under a reduction in force or job discontinuance program ("terminated other than for gross misconduct")</b></p>	<p><b>Shares:</b> On your last day of active service with the Company, unvested basic shares and a prorated portion of the premium shares will vest, and shares will be distributed to you as soon as practical thereafter. The prorated portion of the premium shares that vest will be calculated based on the number of days you were employed during the vesting period divided by the total number of days in the vesting period.</p> <p><b>Options:</b> Vesting stops on your last day of active service with the Company. You may exercise vested options for up to 90 days thereafter but no later than the original option expiration date.</p>
<p><b>Are employed by an employer that is acquired by another entity in a transaction that is a change in control under Section 409A of the Code</b></p>	<p><b>Shares and options:</b> Shares and options will be treated as if your employment had been terminated involuntarily other than for gross misconduct, provided however, that the Committee may, in its discretion, accelerate the vesting of additional shares and/or options. Shares that vest as a result of the change in control will vest on the effective date of the change in control and will be distributed to you as soon as practical. You may exercise vested options for up to 90 days after the effective date of the change in control but no later than the original option expiration date. If you have met an age and service rule at the effective date of the change in control, the period during which your options may be exercised will be in accordance with the applicable age and service rule.</p>
<p><b>Meet the "Rule of 75"</b> You have completed a number of full years of service that, when added to your age, equal at least 75.</p>	<p><b>Shares:</b> Shares continue to vest on schedule while you are employed by the Company.</p> <p>If you are no longer employed by the Company, awards dated at least one year prior to your termination date will continue to vest, and the shares will be distributed to you at the end of each award's vesting period, provided you are not occupied in your business or profession and you do not engage in any activities that compete with the Company's business operations. For awards dated less than one year prior to your termination date:</p> <ul style="list-style-type: none"> <li>• Basic shares continue to vest on schedule and will be distributed to you at the end of each award's vesting period provided you are not occupied in your business or profession and you do not engage in any activities that compete with the Company's business operations.</li> <li>• Premium shares are canceled.</li> </ul> <p><b>Options:</b> Options continue to vest on schedule while you are employed by the Company. Unvested options will vest on your termination date. You may exercise your vested options within two years of your termination date, but no later than the original option expiration date, provided you are not occupied in your business or profession and you do not engage in any activities that compete with the Company's business operations.</p>



<p><b>Meet the "Rule of 60"</b></p> <ul style="list-style-type: none"> <li>• You are at least age 55 with at least five full years of service, but you do not meet the Rule of 75, or</li> <li>• Your age plus years of service equal at least 60 and you have at least 15 full years of service, but you do not meet the Rule of 75.</li> </ul>	<p><b>Shares:</b> Shares continue to vest on schedule while you are employed by the Company. If you are no longer employed by the Company:</p> <ul style="list-style-type: none"> <li>• Basic shares continue to vest on schedule and will be distributed to you at the end of each award's vesting period provided you are not occupied in your business or profession and do not engage in any activities that compete with the Company's business operations.</li> <li>• Premium shares are canceled.</li> </ul> <p><b>Options:</b> Options continue to vest on schedule while you are employed by the Company. Vesting stops on your termination date, and unvested options are canceled. You may exercise vested options within two years of your termination date, but no later than the original option expiration date, provided you are not occupied in your business or profession and you do not engage in any activities that compete with the Company's business operations.</p>
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### Notes to the chart

- The Committee determines what constitutes competition and gross misconduct. Gross misconduct includes, but is not limited to, conduct that is in competition with the Company's business operations, that breaches any obligation to the Company or duty of loyalty, or that is materially injurious to the Company, monetarily or otherwise.
- In any instance where the vesting of shares or the vesting and/or exercisability of an option extends past the termination of your employment, your shares and your options will be canceled if, in the determination of the Committee, you engage or have engaged in conduct that:
  - Is in material competition with the Company's business operations;
  - Breaches any obligation to the Company or duty of loyalty; or
  - Is materially injurious to the Company, monetarily or otherwise.
- If, in the determination of the Committee, you engage or have engaged in conduct that is in competition with the Company's business operations or breaches your duty of loyalty or is materially injurious to the Company, monetarily or otherwise, while holding any incremental shares subject to a sale restriction, such incremental shares may be canceled. Instead, you will receive a cash payment (without interest) equal to the grant price of the option under which the incremental shares were issued multiplied by the number of incremental shares canceled.
- If your employment is involuntarily terminated (other than for gross misconduct) and you meet one of the "age and years of service" provisions above:
  - You will receive CAP Shares as provided under either the age and years of service provision or the termination provision, whichever results in your receipt of the greater number of shares, and the CAP Shares that vest will be distributed as soon as practical following your last day of active service to the Company.

- CAP Options will be subject to either the age and years of service provision or the applicable termination provision, whichever results in the vesting and/or continued exercisability of the greater number of options.
- When a participant is placed on salary continuation, active service with the Company shall continue until the last business day immediately preceding the first day of the salary continuation period.
- Remaining employed pursuant to a Company employment termination notice policy or notice period, not to exceed 75 days, shall be considered active service with the Company.
- For purposes of satisfying the Rule of 75 and the Rule of 60, service with Legg Mason will count toward your years of service.
- If the last day on which an option may be exercised according to a provision in the preceding chart is not an NYSE trading day, then the option must be exercised on or before the NYSE trading day immediately preceding such date.
- It is your responsibility to know the expiration date of your option. The Company is not required to notify you when an option is about to expire.
- Citigroup may change the provisions or the policies described above at any time in its discretion, or as necessary to comply with local legal, tax, accounting, or regulatory requirements for awards previously granted and/or awards to be granted in the future.

## U.S. taxes

The following is a brief explanation of certain U.S. federal income tax laws and their application to restricted stock awards and stock options granted under the Plan. This explanation is intended for U.S. employees only and does not address state or local income taxation or the tax rules for foreign jurisdictions.

Regardless of your tax-paying status, you should consult your personal tax adviser to determine the applicability or interpretation of any federal, state, local, and foreign tax laws that may be relevant to your individual situation. Future legislation may change the current tax laws; such changes would take precedence over the interpretation in this prospectus and any applicable prospectus supplement. Changes in your personal situation, such as a change in your country of residence, also may affect the tax consequences of your award.

The Company and its employees are not in the business of providing tax or legal advice to any taxpayer outside of the Company, and information in this prospectus should not be construed as tax advice to any individual Plan participant. This prospectus is not intended to be used, and cannot be used or relied on, by any taxpayer to avoid tax penalties. CAP participants should seek advice, based on their particular circumstances, from independent legal and tax advisers.

### **Restricted stock**

**Taxation of employee.** Generally, you are required to include as ordinary income an amount equal to the fair market value of the restricted stock at the time such restricted stock is no longer subject to a "substantial risk of forfeiture" within the meaning of Section 83 of the Internal Revenue Code.

Restricted stock is no longer subject to a "substantial risk of forfeiture" upon the expiration of the vesting period or on such earlier date when the restricted stock becomes fully vested as described under "When you leave the Company and other changes in employment status" beginning on page 20. Income and payroll taxes are required to be withheld on the amount of ordinary income attributable to the restricted stock at the time of vesting.

If shares are withheld from the shares otherwise issuable to you upon vesting to satisfy tax-withholding obligations, such shares will be withheld at the minimum statutory withholding tax rate, currently 25%. When total supplemental payments in a calendar year exceed \$1 million, the rate on such excess is 35%.

If, for any reason, an award of restricted stock is canceled, the cancellation will not be a taxable event.

**Section 83(b) election.** You may make a Section 83(b) election to include as income in the year the restricted stock is awarded to you by the Company (i.e., the date of the award) an amount equal to the fair market value of the restricted stock on the date of the award (as if the restricted stock were unrestricted and could be sold or transferred immediately).

If you make a Section 83(b) election, you will not be subject to taxation when the restricted stock vests.

*To make a Section 83(b) election, you will be responsible for filing the appropriate form with the IRS and notifying Citigroup Equity Compensation within 30 days of the date of the award that you made a Section 83(b) election. If you do not notify both the IRS and Equity Compensation, your election may be invalid.*

*If a restricted stock award subject to the Section 83(b) election is subsequently canceled, no deduction or tax refund will be allowed for the amount included as income as a result of the Section 83(b) election. If the value of the award is less on the date(s) that it vests than on the date awarded, you will not receive a refund of the difference between the amount of taxes paid on the award date and the amount of tax that would have been paid on the vesting date had you not made a Section 83(b) election. However, you will have a cost basis in the stock equal to the higher award-date value, which will reduce any future capital gain or increase any future capital loss.*

**Taxation of employer.** The Company generally will be entitled to a deduction, for federal income tax purposes, in the amount of the ordinary income you recognize at the time you recognize such income.

**Dividend equivalents/dividends.** Dividend equivalents paid through payroll on shares of restricted stock during the vesting period will be taxable to you as compensation, assuming you have not made a Section 83(b) election. Income and payroll taxes are required to be withheld on such amounts. The Company generally will be entitled to a deduction, for federal income tax purposes, for such dividends.

However, if you made a Section 83(b) election, you will receive dividends paid through the Citigroup transfer agent. The dividends will be taxable as dividend income subject to the same rate as capital gains income. See "Subsequent sales of restricted shares" on page 26. The Company will not be entitled to a deduction for such dividends and income, and payroll taxes will not be withheld on such amounts.

### **Subsequent sales of restricted shares**

Generally, after your restricted stock vests, your tax basis in the shares will equal the amount of ordinary income recognized on such shares. If you sell the shares you will recognize a gain or loss, which generally will be treated as a capital gain or loss for federal income tax purposes.

Capital gains and losses are classified as either long-term or short-term based on the holding period, which is the length of time the shares are owned and held by you. Currently, the holding period for long-term capital gains treatment is more than 12 months. For restricted stock, the holding period will begin when the award vests, unless you have made a Section 83(b) election, in which event the holding period will begin on the award date.

Through December 31, 2008, the adjusted net capital gain is subject to a statutory maximum tax rate of 15%, except for taxpayers in the 10% or 15% marginal tax brackets whose adjusted net capital gain is subject to a statutory maximum tax rate of 5% (0% in 2008 only).

### **Stock options**

CAP Options are taxed according to the rules governing non-qualified stock options under U.S. tax law. This means you have two taxable events:

1. When you exercise your stock option and
2. When you sell the shares acquired upon exercise.

**When you exercise your stock option.** The difference between the option cost (number of shares purchased multiplied by the grant price per share) and the fair market value of the stock on the exercise date (the "gain") is considered ordinary compensation income. This ordinary compensation income will be included on your pay statement after you exercise your option for the year in which the option was exercised.

This gain will be subject to applicable federal, Social Security, Medicare, state, local, and foreign income tax withholding requirements and employment taxes. The gain generally is deductible by the Company for federal income tax purposes.

Generally, if you pay cash to exercise your option, your cost basis in the shares of Citigroup common stock that you acquire under the option will be equal to the fair market value of the shares on the date of exercise. The holding period will begin on the date of exercise.

If you pay the option cost with shares of previously owned Citigroup common stock, such exercise (a stock swap) will generally result in the same amount being taxable to you as ordinary compensation income as described above. Generally, you will not recognize any additional gain or loss if you use previously owned shares for an exercise.

The portion of new shares received upon exercise, which are equal in number to the previously owned shares used, will have the same tax basis as the previously owned shares used and will have the same holding period for determining capital gain or loss.

The entire fair market value of the remaining incremental shares you receive will be taxable to you as ordinary compensation income, even though such shares may be subject to further restrictions on sale or transferability. The cost basis for these incremental shares generally will be equal to the amount taxable as ordinary compensation income, and the holding period will begin on the date of exercise.

If shares are withheld from the shares otherwise issuable to you upon exercise to satisfy tax withholding obligations, such shares will be withheld based on the minimum statutory withholding tax rate, which is currently 25%. When total supplemental payments in a calendar year exceed \$1 million, the rate on such excess is 35%.

If the minimum statutory rate used for federal tax withholding is less than your actual marginal tax rate, you may need to make an estimated tax payment directly to the IRS.

If you use the cash purchase or stock swap exercise method *and* shares are withheld from the exercise to pay taxes, then the two-year sale restriction will be lifted on a number of incremental shares, which — if you choose to sell these shares to pay your taxes — should provide enough cash to cover up to an additional 10% of the gain.

You may sell the incremental shares through your broker. The sale of these incremental shares will be a separate taxable event.

**When you sell your shares.** Generally, when you subsequently sell the shares acquired upon exercising a stock option, the difference between the sale proceeds and the cost basis of your shares is taxable as a capital gain or loss.

Under current U.S. tax law, if you hold the shares acquired upon exercising a stock option for more than 12 months from the date of acquisition before selling them, any gain or loss will be considered a long-term capital gain or loss.

Through December 31, 2008, the adjusted net capital gain will be subject to a statutory maximum tax rate of 15%, except for taxpayers in the 10% or 15% marginal tax brackets whose adjusted net capital gain is subject to a statutory maximum tax rate of 5% (0% in 2008 only).

# Information about the Plan

## General information

The purposes of the Citigroup 1999 Stock Incentive Plan are to attract and retain employees by providing compensation opportunities that are competitive with other companies; to provide incentives to those employees who contribute significantly to the long-term performance and growth of the Company; and to align employees' long-term financial interests with those of Citigroup's stockholders.

The Plan was adopted by Citigroup's Board of Directors, approved by its stockholders, and became effective April 30, 1999. Shareholders approved the amended and restated Plan April 19, 2005. The Plan will remain in effect until April 30, 2009, unless terminated sooner by the Board of Directors.

Up to 485,883,776 shares may be issued under the Plan. This number has been and may be further adjusted to reflect stock splits and other events affecting Citigroup common stock. These shares may be authorized and unissued shares, treasury shares, or shares purchased in open market transactions.

## Eligibility

The Committee selects the participants and the extent of their participation. Consequently, the number of participants and the size of awards will vary from year to year. Directors who are employees of Citigroup are eligible to receive awards under the Plan.

Officers and other employees of Citigroup and its subsidiaries and entities in which Citigroup has a controlling or significant equity interest, as determined by the Committee, are eligible to participate in the Plan.

## Administration

The Plan is administered by the Committee, whose members may be changed at any time by the Board of Directors. All members of the Committee are outside directors of Citigroup. The Committee, in its discretion, has the authority to select participants and determine the terms and conditions of each award under the Plan.

The Committee determines the program guidelines for FA CAP and, in its discretion, may amend the program guidelines from time to time. The Committee may establish different program guidelines for different groups of participants.

Program guidelines for participants working outside the United States may be adjusted as necessary to conform to local tax, accounting, legal, and regulatory requirements. Under the Plan, the Committee may delegate to one or more executive officers or directors the authority to carry out some or all of its responsibilities. The Committee may not delegate its authority and powers in any way that would be inconsistent with the requirements of the Code or the Securities Exchange Act of 1934 (the "Exchange Act").



The Plan is not an "employee benefit plan" under Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA") and, accordingly, it is not subject to the provisions of ERISA. The Plan is not regarded as a qualified plan under Section 401(a) of the Code covering pension, profit-sharing, and stock bonus plans.

### **Changes to the Plan**

The Committee may change or discontinue the Plan or any part of FA CAP described in this prospectus at any time. Upon the occurrence of certain events affecting ownership or management of Citigroup (including a change in the majority of the Board of Directors), the Committee may make changes to awards granted under the Plan at any time. The Company prohibits the repricing of options granted under the Plan.

### **Use of personal information**

In connection with the implementation and administration of FA CAP, and the fulfillment of the Company's legal obligations, it will be necessary for the Company to transfer, use, and hold certain personal information concerning each potential participant ("personal data").

Information to be used for the administration of the equity programs and your potential participation therein, as well as compliance with the Company's legal obligations, may include your name, nationality, date of birth, tax identification number, GEID, home address, work address, compensation information, details of your equity award, name of your business unit and employing legal vehicle, and information about how to contact you.

You may obtain more details about the use of your personal information related to your potential participation in the equity programs and the fulfillment of the Company's legal obligations through Citigroup Equity Compensation.



# Information about Citigroup

Citigroup files annual, quarterly, and current reports; proxy statements; and other information with the Securities and Exchange Commission ("SEC"). These SEC filings are available to the public on the SEC's Web site at [www.sec.gov](http://www.sec.gov). Citigroup's 2004 Annual Report, as well as certain of Citigroup's SEC filings, are available to the public on Citigroup's Web site at [www.citigroup.com](http://www.citigroup.com).

## **Incorporation of certain documents by reference**

The SEC allows Citigroup to "incorporate by reference" the information it files with the SEC, which means that it can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus. Information that Citigroup files later with the SEC automatically will update information in this prospectus.

In all cases, you should rely on the later information over different information included in this prospectus or any prospectus supplement.

Citigroup incorporates by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14, or 15(d) of the Exchange Act prior to the filing of a post-effective amendment to the Registration Statement relating to the common stock issued under the Plan, which indicates that all Citigroup common stock offered has been sold or which deregisters all Citigroup common stock that has not been sold:

- Annual Report on Form 10-K, as amended, for the year ended December 31, 2004;
- All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Annual Report on Form 10-K; and
- Registration Statement on Form 8-B, dated May 10, 1988, describing our common stock and the description of Citigroup common stock in the prospectus dated January 29, 2003, which forms part of Citigroup's Registration Statement on Form S-3 filed December 26, 2002 (No. 333-102206) under the Securities Act of 1933, as amended, including any amendments or reports filed for the purpose of updating such description.

Citigroup will provide its Annual Report and its Proxy Statement for the most recent year to all Plan participants and will provide without charge to each person to whom this prospectus is delivered, at his or her request, a copy of any or all of the foregoing documents incorporated herein by reference (other than exhibits to such documents).

Written or telephone requests should be directed to Citigroup Document Services, 111 Wall St., New York, NY 10005, 1-877-936-2737. These documents are also available on Citigroup's Web site at [www.citigroup.com](http://www.citigroup.com).

## For more information

For information about FA CAP that is not included in this prospectus, contact:

Citigroup Equity Compensation  
125 Broad St., 8<sup>th</sup> Floor  
New York, NY 10004

212-291-4424  
212-291-4434

Representatives are available from 8 a.m. to 6 p.m. Eastern time on weekdays, excluding NYSE holidays.